

Application number: 09/534233

Art Unit: 3628

Applicant: Khai Hee Kwan

Examiner: Clement, B Graham.

Title: System and method for conducting an electronic financial asset deposit auction over computer network

Some dependent elements namely claim 16,18, 21,23, were shifted and subsequently deleted for inclusion in the main representative independent claim 15 and elements herein were shifted from Claim 15 as dependent claims 16,18. However, the newly amended claims are identical in scope to the original claims (15-33) as per our first office action. Please see our analysis of each claims below for further details. There are only 2 independent claims now.

c) We are also unsure whether the requested amendments in specification have been added as per our first response faxed 15 Oct 2002. We respectfully ask for clarification here.

Summary

The test of obviousness requires that one compare the claim's "subject matter as a whole" with the prior art "to which said subject matter pertains." 35 U.S.C. § 103. The inquiry is thus highly fact-specific by design. This is so "whether the invention be a process for making or a process of using, or some other process." In re Kuehl, 475 F.2d 658, 665, 177 U.S.P.Q. (BNA) 250, 255 (CCPA 1973). When the references cited by the examiner fail to establish a prima facie case of obviousness, the rejection is improper and will be overturned. In re Fine, 837 F.2d 1071, 1074, 5 U.S.P.Q.2D (BNA) 1596, 1986 (Fed. Cir. 1988). Our claimed invention is a deposit application auction process to solicit competitive deposit terms while the prior art is one of a loan application auction and the other an auction that uses grouped bids, we fail to see any commonality or suggestion in the prior arts that would be obvious to a deposit application auction other than its financial origin.

Although from the prior art references, the examiner cited a generic auction system in combination with loan application in view of one with collective bidders, "the mere fact that a device or process utilizes a known scientific principle does not alone make that device or process obvious." Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1053, 5 U.S.P.Q.2D (BNA) 1434, 1440 (Fed. Cir. 1988). See also Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452, 1462, 221 U.S.P.Q. (BNA) 481, 489 (Fed. Cir.1984). In this case, the known business principle is an auction system which is old in the art.

Moreover, the mere possibility that a loan application auction disclosed by Zandi (US 5966699) and or one of generic open to collective bidders under a group disclosed in Brown (US 6167386) could be modified or replaced such that its use would lead to the specific deposit application process recited in claim 15 does not make the process recited in claim 15 obvious "unless the prior art suggested the desirability of [such a] modification" or replacement. In re Gordon, 733 F.2d 900, 902, 221 U.S.P.Q. (BNA) 1125, 1127 (Fed. Cir. 1984). Without first knowing this application's claimed process steps or the elements supporting those steps, there is simply no suggestion in the references cited by the examiner to practice the claimed process. This is clearly observed, in a case

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involving a highly analogous set of facts, "one cannot choose from the unknown." *Mancy*, 499 F.2d at 1293, 182 USPQ at 306. It is therefore not prima facie obvious.

Moreover, the obviousness test is "what the combined teachings of the references would have suggested to those of ordinary skill in the art." In re GPAC Inc., 57 F.3d 1573, 1581 (Fed. Cir. 1995). Without even one hint mentioning deposit applications in either references, it would not be difficult to see that hindsight was used here by the examiner, which is not permissible. In *Richard Ruiz v Chance Co* (No. 99-1557, United States Court of Appeals for the Federal Circuit, decided December 6, 2000) "In order to prevent a hindsight-based obviousness analysis, it has been established that the relevant inquiry for determining the scope and content of the prior art is whether there is a reason, suggestion, or motivation in the prior art or elsewhere that would have led one of ordinary skill in the art to combine the references."

The examiner opined no evidence containing any suggestion or motivation to combine sources from said references either (a) to modify known loan auction with another auction system based on grouped bids to obtain the particular subject matter as a whole recited in claim 15, or (b) to obtain the particular new and nonobvious competitive deposit terms produced by the process of claim 15.

In short, the most pertinent prior art, Zandi contains nothing at all to support the conclusion that the particular process recited in claim 15 is obvious in view of deposit application. Even if all the elements in Zandi existed, one must still describe the motivation to modify this to an anonymous deposit application auction from one that deals exclusively with loans.

For example, the reasoned benefit as alluded by the examiner's response to claim 15 which is for financial gain certainly is curious since deposit-taking by financial institution is an expense well known in the art. The motivation to combine with Brown is certainly not accurate since Zandi also described web-based methods of display and it appears that was the only element cited for combining.

However more pertinent is the motivation for combining which is stated as "soliciting users' deposit application" requiring the missing display. As far as we can comprehend our own invention, the reason for displaying the deposit applications on line is so to attract or solicit the bidders (financial institution) and not the conversed ie soliciting users' deposit applications. We cannot agreed that there is such relevant evidence as a reasonable mind might accept as adequate to support implicitly the conclusion that a skilled artisan confronted with (1) the problem, i.e., depositors wanting a method to discover better deposit terms, and (2) the teachings in Zandi and Brown, would have motivated to modify a system for loan auction to deposit auction purposes just in order to solicit users, when there are no teachings even incidental to the subject matter of

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deposits. To carve out a motivation, one has to show that discovering competitive deposit terms is found in Brown or Zandi's invention in terms of loan auctioning.

In particular we submit that Zandi in view of Brown did not suggest discovering a competitive term for potential depositors in an auction, or shares depositing or where a bid includes shares in exchange or the fact that this is an anonymous offer, all elements material in our claimed invention.

Lastly, the fact that the examiner was not able to source for a prior art describing a hint to discover a competitive deposit term for a deposit applicant directly can only mean that the art itself is not obvious. Thus, this evidence creates a genuine issue as to whether those of ordinary skill would have any motivation at all to reach the claimed invention or known of the problem at the time of invention was made.

The following submission will discuss each of the ingredients that the examiner has failed to establish under a proper prima facie as required under a 35 U.S.C. § 103(a) rejection based on our amended claims necessitated by the first office action.

I. Obviousness under 35 U.S.C. § 103

1.1 Subject Matters: Loan is the antithesis of Deposit.

Deposit Insurance Act ("FDIA") defines "deposit" as follows at section 3(1):

"(1) the unpaid balance of money or its equivalent received or held by a bank or savings association in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account,....."
(Note Section 3(1) consists of 5 subsections which are not reproduced in full here.) Also see 12 CFR 204.2 which provides similar definition of a deposit. There is no statutory definition of a loan.

This statutory definition of a deposit means the money, must be held by a bank in order to qualify. This also means only banks can offer depositing facilities but anyone can offer a loan. Also note that in practice, most loans are collateralised but none is required by a bank in accepting a deposit. In short, had Zandi wanted to include a 'loan' in the broadest sense to include 'lending' to banks then there would be teaching of a deposit, as this is the known terminology to distinguish a loan. The fact that there is no evidence of this can only mean that a deposit is neither obvious nor intended in Zandi.

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Furthermore, in a recent case, the court has ruled that "flat fee charges to deposit customers for checks written without sufficient funds on deposit do not constitute "interest" as limited by 12 USC 85. The fee is a processing fee, not compensation for an extension of credit." VideoTrax, Inc. v. NationsBank, N.A., 33 F.Supp.2d 1041 (S.D. Fla. 1998), aff'd 205 F.3d 1358 (11th Cir.2000), cert. den. 1212 S. Ct. 66 (October 2, 2000). It is therefore fairly clear that the court's interpretation means to maintain the difference between a 'deposit' and 'loan' even when its form has been extended to one of an extension of credit (loan) by default. In Johnson Worldwide Assocs., Inc. v. Zebco Corp., 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999), the general rule is, of course, that terms in the claim are to be given their ordinary and accustomed meaning which is as defined above and well known in the art. We therefore conclude the differences between deposit and loan in form and in substance must stand legally and is undeniable.

1.2 There must be a basis in the art for combining or modifying references

A 35 U.S.C. § 103 rejection presumes the existence of differences between the subject matter claimed as a whole and the teachings of the prior art, otherwise a 102 would have sufficed. Thus the examiner must be able to point to something in the prior art(s) that suggests in some way a modification of a particular reference in order to arrive at the claimed invention. (In re Geiger, 815 F.2d at 688, 2 USPQ2d at 1278 (Fed Cir 1987).

As an example of this neglect, we can use the examiner's disclosure for Claim 15 (Action Letter mailed 19 Feb 2003), nowhere has the examiner pointed a suggestion found in the prior arts to modify a loan application to a deposit application, a suggestion to solicit competitive deposit terms or a suggestion to improved loan application process by modifying it to a deposit application as claimed.

The examiner had only recited Zandi's methods and system as per the prior art while pointing out that it lacked a "display" which is found in Brown and concluded that it will be obvious to combine with the benefit being able to attract customers for a financial gain. This is a contradiction since deposit taking is an expense not income. Deposit-taking institution is paying interest for deposits.

The other suggestion opined by the examiner in responding to Claim 18 is concerned with securing the database and information of the applicants (in Brown) which points to the benefit of avoiding unauthorized access to the system. We submit this suggestion is not proper for the reason that concealing the identity of the applicant using a handle is not for securing access to the system as suggested by Brown nor did Brown's security solution applicable to our problem. A handle is only used to protect the identity of the applicants during the auction process and not intended for securing the system. If security is the issue why even bother to use a handle ? Note also that the identity is revealed later in this claimed invention but only to selected institutions. If we used

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Brown's teaching then similarly, Brown would have to reveal its bidder's information which is not taught and defeats the nature of securing in the first place as taught in Brown.

If a handle is adopted in Zandi, a handle for concealing a loan applicant's identity would defeat the credit appraisal process and hence must be held to be not obvious. A handle for a deposit application in the real world to conceal the deposit applicant's identity would similarly defeat the process and is contrary to the accepted common practice. We do not know of any US Banks that ask their depositors to be anonymous on application. Secret numbered accounts common in some jurisdictions is mainly for maintaining anonymity so that the ownership cannot be traced once the deposit has been accepted. However, our anonymity process here is only during the bidding process and not for depositing as per numbered accounts. Therefore it would not be obvious to have a handle in the online world or real world unless taught by this invention for purposes of auctioning process.

While "a reference must be considered not only for what it expressly teaches, but also for what it fairly suggests," In re Burckel, 592 F.2d 1175, 1179, 201 USPQ 67, 70 (CCPA 1979), we cannot agree with the examiner that Zandi "fairly suggests" that its teachings should be combined with that of Brown, since it nowhere suggests how to apply its teachings to deposit application auction in its entirety. And Brown did not suggest combining with Zandi for anonymity in view of the teaching on security or that anonymity is an improvement over securing the database from being accessed or that securing the database in Zandi will reach anonymity.

Therefore, the requisite teaching or suggestion to combine the teachings of the cited prior art references is absent, see In re Fine, 837 F.2d at 1075, 5 USPQ2d at 1599, and the examiner has not established that the claimed sequences in our claim 15 would have been obvious over the combination of Zandi and Brown. At the very minimum, a fair suggestion would be something like, "...it is possible to modify a loan auction for deposit taking. "

Our conclusion is that impermissible hindsight was used.

1.3 "Obvious to try" a modification or combination (looking for a needle in a haystack) is not prima facie obvious.

Although the examiner did not specifically argue that the claimed invention used standard methods such as a networked auction here, it is however implied that by producing said prior arts, the entire procedure would have been obvious to a person of ordinary skill in the art of said auction. However, the Federal Circuit has long held that the mere availability of the technology and the incentive to apply it do not make the result obvious. In re Deuel, 51 F.3d 1552, 1559 (1995). The

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inventor's interest in the discovering competitive deposit terms provided the "incentive to apply the technology" and suggested an obvious direction. This "obvious to try" standard was explicitly rejected by the Federal Circuit in *In re O'Farrell* 853 F.2d 894, 903 (Fed. Cir.1988).

1.4 Equivalency Factor

In a proper obviousness determination, "[w]hether the changes from the prior art are 'minor', . . . the changes must be evaluated in terms of the whole invention, including whether the prior art provides any teaching or suggestion to one of ordinary skill in the art to make the changes that would produce the patentee's . . . device." *Northern Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 935, 15 USPQ2d 1321, 1324 (Fed. Cir.), cert. denied, 498 U.S. 920 (1990). This includes what could be characterized as simple changes, as in *In re Gordon*, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984) (Although a prior art device could have been turned upside down, that did not make the modification obvious unless the prior art fairly suggested the desirability of turning the device upside down.).

Assuming we are proceeding based on the unstated assumption by the examiner that loan application is equivalent to a deposit application, which we stated above as not. In order to rely on equivalence as a rationale supporting an obviousness rejection, the equivalency must be recognized in the prior art, and cannot be based on applicant's disclosure or the mere fact that the components at issue are functional or mechanical equivalents. In *re Scott*, 323 F.2d 1016, 139 USPQ 297 (CCPA 1963) (Claims were drawn to a hollow fiberglass shaft for archery and a process for the production thereof where the shaft differed from the prior art in the use of a paper tube as the core of the shaft as compared with the light wood or hardened foamed resin core of the prior art. The Board found the claimed invention would have been obvious, reasoning that the prior art foam core is the functional and mechanical equivalent of the claimed paper core. The court reversed, holding that components which are functionally or mechanically equivalent are not necessarily obvious in view of one another, and in this case, the use of a light wood or hardened foam resin core does not fairly suggest the use of a paper core.). In this instance and recognizing that our application is for deposit applicant as such is not suggested by either Zandi or Brown to be equivalent, then we hold that prima facie obviousness has not be properly established. Similarly for anonymity is not equivalent to security in Brown.

1.5 All Claim Limitations Must Be Taught or Suggested

To establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In *re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In *re Wilson*, 424 F.2d 1382, 165 USPQ 494, 496 (CCPA 1970). It is obvious that the examiner

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did not consider all words' limitations. For example, the examiner made no reference to our bid element comprising proposed terms of deposit, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange in our previous Claim 21 (now in amended claim 15) and instead where these elements were claimed, the examiner remarked that Brown disclosed account creation computer has storage capacity for storing a bidder account, that includes the bidder name financial account number and bidder identification citing (Col 5 lines 45-55). The stated benefit is "The benefit would have been to receive deposit application with terms and conditions of the deposit". We are unable to understand how such teaching or benefit will reach our claimed elements. None of these elements have any resemblance to our said claimed elements. Nor is it obvious that by providing ones name, financial account number and bidder identification can be consider as a bid sufficient to motivate one skilled in the art to believe that the benefit would be to receive deposit application. A bid with identification is not a bid unless it is accompany by said elements comprised in our responsive bid. Furthermore, this benefit is not sound as the terms and conditions of deposits by the anonymous prospective depositors are accessible even without a bid. In fact one must have access to this information first in order to form and submit a bid.

Furthermore, what the bidder wants is not the anonymous deposit application with terms and conditions on offer but rather access to the identity of the prospective depositor which is only available to the selected winner offering the most favorable terms in the form of a bid. It is doubtful that a bid with only name, account number and identification as suggested by combining with Brown will be of any use here. It is also strange that the examiner's rebuttal wording for claim 21 is similar to claim 16 even though both are referring to two different set of elements in said claims.

The closest that we find in Brown, is bid record includes bidder name, identification number, bid amount and bid designation as shown in Fig 5. (Col 7 line 60-64) which are common in the art of auction but this still falls short to teaching our said elements. As noted in our claim, it is not only the bid that is being claimed but the elements comprising the bid wherein qualifies the bid.

1.6 A reference is not properly modifiable if its intended function is destroyed.

A 35 U.S.C. § 103 rejection based upon a modification of a reference that destroys the intent, purpose or function of the invention disclosed in the reference is not proper and the prima facie case of obviousness cannot be properly made. See *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959)

This gives rise to the question that should anonymity be introduced in Zandi in step with the claimed invention, could this proposed modification change the principle of operation of the prior art invention being modified such that its function is destroyed? In short how are the credit authorizers in Zandi going to decide whether to include the loan application for bidding when there

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is no way to determine the creditworthiness of this anonymous applicant. Secondly how are the bidders who are considering providing credit here decide based on an unknown borrower's risk ? There is no teaching of any credit rating in Zandi and it merely teaches either approving or rejecting the applicant. It is well-known in the art that each lenders have different lending criteria corresponding to the borrower's risk profile. An approved anonymous loan applicant without the means to verify independently its credit worthiness seems to be at odd to the process of committing a risk factor crucial in determining overall loan rate or the bid rate. It is also well known in the art that the only way to independently verify credit worthiness is to run a credit check on the name and corresponding address.

All these considerations have minor bearing at all with a deposit application for the simple reason that there is no credit profile for a depositor since the presumption is that the depositors have the assets to be deposited. This is, however, not the same as verifying the ownership of assets proposed to be deposited with the depositor as a manner of qualification.

1.7 Non-analogous Art

As provided under the scope of the prior art, the prior art must include art that is "reasonably pertinent to the particular problem with which the invention was involved." *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1535, 218 USPQ 871, 876 (Fed. Cir. 1983). In applying this reasoning, the particular problem in Zandi is aimed towards the creation of a system to solve the provision of loan auction to a large number of lenders (Zandi Col 2 Ln 1-10) in order to select the best options (Zandi Col 1 Ln 46-50). While it is true that the prior art is designed so to reach the maximum number of lenders and borrowers but the claimed invention deals with depositors and deposit-taking institutions/banks, which means the prior art not falling within the same scope. Otherwise, a car auction or property auction over the Internet would be equally applicable. This suggests that the source of the problem is not appreciated by the examiner and rather uses the solution as the roadmap to defeat non-obviousness.

The prior art clearly does not provide such an insight to the problem of discovering better returns in the form of terms for the deposit applicant, because it is not within its scope. Secondly, Zandi does not teach depositing of securities nor the exchange of securities in lieu of interest or principal payable. This is obvious since it is not practical to borrow securities to finance one's home or businesses.

1.8 Prior Art does not teach the problem or its source.

The solution to a problem, once known, is often obvious even when the recognition of the problem itself or of the source of the problem is not. The historical case of *Eibel Process Co V Minnesota*

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and Ontario Paper Co., 261 US 45 (1923), established the rule that the discovery of the source of a problem may result in a patentable invention despite the fact that the solution would have been obvious once the source of the problem was discovered.

In *re* Peehs, 612 F.2d 1287, 204 USPQ 835 (CCPA 1980) the court held that to establish a prima facie case of obviousness where the advance in the art lies in the discovery of the problem or the source of the problem, the examiner would have to provide evidence that a person of ordinary skill in the art at the time of the invention would have expected a problem to exist. In that case, neither the problem nor the source of the problem were known in the art.

It is obvious that the examiner did not point succinctly that one of ordinary skill in the art at that time of the invention would expect the existence of a problem in the available arts and hence could articulate the source of this problem to arrive at the claimed invention. Reading the facts in *Zandi*, we could not identify how a problem of soliciting competitive deposit terms could exist in a device for loan application. In fact in a loan auction, the bids would be incrementally lower while in a deposit rate the bids would be higher, each independently opposite. If there is indeed a problem with *Zandi*, it is one to find a lower rate not one of a higher rate.

Specifically, there were no findings on whether there was a disadvantage in the prior system, such that the "nature of the problem" (despite being not similar) would have motivated a person of ordinary skill to modify the prior art to reach the claimed invention. Indeed, even these common elements (computer networked etc) have been in the public domain available for years to all skilled workers, without, as we found, suggesting anything like the claimed invention, is itself evidence of nonobviousness. *Panduit*, 810 F.2d at 1577, 1 USPQ2d at 1605.

1.9 Application of the Graham Factors

The necessity of a complete Graham findings is especially important where the invention is less technologically complex, as is the case here. See *In re Dembiczak*, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999), abrogated on other grounds. *In re Gartside*, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000). In such a case, the danger increases that "the very ease with which the invention can be understood may prompt one 'to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher.'"

A preferred embodiment of the claimed invention is basically a simple programmed computer with only one utility -- to provide potential deposit applicants the means to discover competitive returns anonymously by way of an auction system deployed over a network. Deposit, in this sense, includes both securities and cash. To fulfill this task, anonymous applications are displayed online first and bidders, such as deposit-taking institutions, respond by bidding for the applications by

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providing their own deposit terms on a competitive basis. If the bid is selected (at the end of the auction), the bidder gets to contact the anonymous applicant to complete the depositing requirements as agreed in the terms of the bid. In order to contact the applicant, the applicant must authorize his or her identity to be released. While this is a system designed for the online world, we submit that such a process does not even exist in the real world and therefore this is a pioneering process despite its simplicity.

In order to prevent a hindsight-based obviousness analysis, it has been established that the relevant inquiry for determining the scope and content of the prior art is whether there is a reason, suggestion, or motivation in the prior art or elsewhere that would have led one of ordinary skill in the art to combine the references as discussed previously. See, e.g., *In re Rouffet*, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459 (Fed. Cir. 1998) ("[T]he Board must identify specifically . . . the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious."); *In re Dembiczak*, 175 F.3d at 999, 50 USPQ2d at 1617 ("Case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references."). "Determining whether there is a suggestion or motivation to modify a prior art reference is one aspect of determining the scope and content of the prior art, a fact question subsidiary to the ultimate conclusion of obviousness." *Sibia Neurosciences, Inc. v. Cadus Pharma. Corp.*, 225 F.3d 1349, 1356, 55 USPQ2d 1927, 1931 (Fed. Cir. 2000); *Tec Air, Inc. v. Denso Mfg., Inc.*, 192 F.3d 1353, 1359, 52 USPQ2d 1294, 1298 (Fed. Cir. 1999) (stating that the factual underpinnings of obviousness include whether a reference provides a motivation to combine its teachings with those of another reference).

The examiner has recited separate common elements from the prior art(s) and concluded that it would have been obvious to combine loan application auction and displaying them over a network to arrive at the claimed invention at Claim 15 which is the representative. The examiner made no evidence supporting a deposit application auction, as recited in the independent claims, (although this is a key difference as noted above) in his determination, nor did he comment on the inherent difference between a loan application and discovering a better return on a deposit. Moreover, he did not attempt to comment on why would a deposit application be obvious in view of a loan application ?

There are also pertinent elements not consider such as bid elements, anonymity and most importantly how deposit application can leap from a loan application auction apparatus without any motivation. We therefore conclude that Graham was not in fact applied consistently.

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2.0 Estimated Differences Between the Prior Art and the Invention are Great.

The facts below are as per our amended twice Claim 15 submitted with this second response where we respectfully ask the examiner to allow the amendment as above. For our original, Claim 15 please see analysis below.

Independent Claim 15 as amended in this response to include the anonymity factor.

Claim 15 comprises the entire anonymous deposit application method. A direct comparison of the claimed invention in this claim to the prior Zandi is estimated to reveal the following differences. Zandi does not teach using deposit application, deposit auction computer, nor the assigning of handles for said application to be displayed, nor revealing the identity of the deposit applicant nor bid data comprising proposed terms of deposit, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange nor terms of deposit on offered nor the constituents of a deposit as per this claim.

Anonymity, is a key element. The examiner remarked that Brown taught concealing a real identity of the prospective depositor and provided this evidence at Col 7 Line 35. But this is not accurate and in Brown it taught securing registration information of bidder (not depositor). Securing information is not the same as assigning a handle (concealing) which purpose is to protect the identity of the depositor during the process of bidding with the intention of revealing the identity only to the winner at the end. Brown actually teaches securing registration record in a database of a bidder to ensure confidentiality. Securing a database from remote access as taught in Brown is common in the art but it is not obvious to conceal the identity of the prospective offeror/depositor by assigning a handle which is not taught. Brown has no teaching in assigning a handle for the offeror as a means for anonymity. A depositor is not a bidder in our claimed invention, it is the deposit application and subsequent identity that is being bided. The bidder in our claimed invention is a deposit-taking institution's whose identity is not concealed under normal circumstances unless as in twice amended Claim 17. Furthermore, the application consist of money, securities deposit offer terms not taught by Zandi nor Brown. In Zandi, the applicant is asking for money as in a loan (not to offer money) and in Brown the bidder is bidding (buying) for an asset, and not to bid for the identity of the anonymous deposit application.

In fact, Brown teaches that the name of the bidder groups are well displayed during the action process. (Col 6 Lines 63-65) and the use of a group name is not for anonymity but rather to collectively engaged the bidders. Hence, the problems are entirely different. Surely these bidders must know their own group name otherwise they will not be able to group their bids. If there is a deliberate need to conceal the identity of the group then it will be difficult for members to indicate their bid designation as required under Fig 6 at 64.

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In Zandi, the borrower's or offeror's name is clearly seen (Col 8 line 66-67 and Col 9 lines 1-2). If the examiner's assertion of concealing identity is correct then there will be a clear conflict between the two references making it impossible for one ordinary skilled in the art to reach our claimed invention. How would one reconcile the need to conceal ones identity in one reference while in another reference it teaches one to show ones identity ?

One cannot merely pick the elements and use our application as a roadmap to show obviousness without articulating the combinability such that it is "clear and particular." In re Dembiczak, 175 F.3d at 999, 50 USPQ2d at 1617

The test of obviousness lies with the teaching in the arts and since we have shown the difference between securing and anonymity, it is obvious, neither teachings provided the motivation to do so, especially when both arts teach using the names of applicants during the auction process. Note that in Brown, one is bidding for property in view of purchasing them and not for depositing (temporary ownership). Furthermore, Brown teaches securing the identities permanently and not as in our claimed invention, during the auction process (ie when being displayed over a network).

2.1 Level of Ordinary Skill in the Art

The determination of the level of ordinary skill in the art is an integral part of the Graham analysis. See Custom Accessories, 807 F.2d. at 962, 1 USPQ2d at 1201 ("Without [a determination of the level of ordinary skill in the art], a district court cannot properly assess obviousness because the critical question is whether a claimed invention would have been obvious at the time it was made to one with ordinary skill in the art.") (internal citation omitted). Factors that may be considered in determining the ordinary level of skill in the art include: 1) the types of problems encountered in the art; 2) the prior art solutions to those problems; 3) the rapidity with which innovations are made; 4) the sophistication of the technology; and 5) the educational level of active workers in the field. See id. at 962, 1 USPQ2d at 1201 (citing Emtl. Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 697, 218 USPQ 865, 868-69 (Fed. Cir. 1983)).

Although the examiner did not identify this skilled artisan, we are of the view that such a person is a loan manager and one skilled in electronic auction albeit ordinarily based on the presented prior arts. In conjunction with this determination and to show prima facie, there must be evidence of reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.

The issue here is that neither prior arts are related to determining competitive deposit terms and the examiner made no issue about how one skilled in the art of loans would choose non-existence

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elements in these prior arts to reach the manner claimed such as in elements amended in Claim 15(c).

Zandi is limited to loan application auction. The prior art consists of loan types of application such as a business loan, mortgage, home equity loan, personal loan and so on. The definition in general or in specific of a loan is well known in the art and it does not comprise deposit. The scope of this prior art is therefore limited to loans only. In Brown, this prior art deals with collective bidders to bid in an electronic auction. It is noted that the examiner use this reference to show "display updated bid information in real-time for bidders to view from remote computer or terminals" as per rebuttal in Claim 15. The examiner noted that since Zandi does not teach "display" then by combining Brown, both teachings will reveal the claimed invention.

However as we mentioned since neither teachings show deposit applications as the subject matter, we are unable to accept that one ordinary skilled in the art at the time of the invention would be able to combine said teachings to leap into the subject matter of anonymous deposit application auction. Nor is there evidence that faced with the similar problem, the skilled artisan will look at a reference on loan auction, wherein the requirement of a loan is opposite to deposit taking.

In *Standard Oil Co. v. American Cyanamid*, 774 F.2d 448, 227 USPQ 293 (CAFC 1985), the Federal Circuit suggested that one of ordinary skill was somewhat of a plodder: "one who thinks along the line of conventional wisdom in the art and is not one who undertakes to innovate." The convention wisdom for deposit taking at the time of the claimed invention is to provide deposit rates online as it is same today. The applicant is invited to check the rates and if satisfied can submit a non-anonymous application. There are "search" website/engine that provide listing of deposit rates sourced from varies deposit-taking institutions. Should the examiner take the stand that one skilled in the art should be able to navigate from such prior arts to reach the claimed invention by formulating the missing elements then this would be tantamount to falling into the hindsight trap absent of any teaching. See *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed.Cir.1983) ("To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher."). Skill in the art does not act as a bridge over gaps in substantive presentation of an obviousness case, but instead supplies the primary guarantee of objectivity in the process. See *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed.Cir.1991).

Even when there is a suggested 'trend' in the ordinary sense, there must be teaching. See *Monarch v Sulzer*, (CAFC 97-1224 decided March 10, 1998) ("By defining the inventor's problem in terms

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of its solution, the district court missed this necessary antecedent question, namely, whether the prior art contains a suggestion or motivation to combine references to form a trend.")

We consider the examiner's failure to make on record, a proper finding on the level of ordinary skilled detrimental and other Graham findings evidence that Graham was not, in fact, applied consistently.

3.0 Analysis of Claims 15-33 as previously submitted from our first response unless otherwise stated.

Claims 15-33 have been rejected under 35 USC 103(a) as being unpatentable over Zandi (US 5966699) in view of Brown (US 6167386).

Evidential Analysis of Examiner's determination.

The applicant respectfully disagrees with the Examiner's assertions that Zandi discloses :

receiving a deposit application from a prospective depositor;

storing said deposit application ;

displaying the deposit application over the network;

responsive bid for said application;

selecting ;

Applicant submits that in Zandi, there is no suggestion of any deposit application the element as in our claim. As we have said the subject matter at hand is not one of a loan nor a borrower equivalent to a depositor hence said deposit application's information must similarly be taught by Zandi to support the Examiner's assertions. Our examination of the Zandi's patent reveals no hint of even the word "deposit". There are no suggestion from Zandi to assume that a loan is equivalent to a deposit and while the examiner has cited several old elements found in the prior art such as network, receiving, selecting, storing and so on, we respectfully disagree that it is well known to apply said elements via a special computer programmed for deposit auction as in the claimed invention.

In rejecting this claim, the the examiner identified a reference that taught the use of an auction system with a financial product (Zandi) and having found that it lacked the displaying method went

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on to identify a second (Brown), wherein taught of a displaying method in use within an auction system. In fact on closer examination, the first reference actually taught displaying over a web-page (Zandi Col 3 Lines 19-26). Therefore the issue is not one of display but one of deposit application unless one assumes it's the same as loan application which we do not submit.

Claim 15

The benefit provided by examiner is stated "to attract a larger volume of customers for a financial gain of an institution." We find this odd because deposit funding is normally an expense ie banks take deposits by providing an interest (cost) on these funds or securities. However, when a bank is providing a loan as in Zandi then the bided interest would be income hence financial gain but as we mentioned, this claimed invention is for deposit, not a loan. Our conclusion is that this motivation is not sound to one skilled in the art, is not appropriate for deposit because it is mainly an expense for the institution and premise on the assumption that a loan is similar to a deposit which we have distinguished above.

Secondly the examiner made no mentions of deposit being securities (stocks and shares) as covered in our specification which is not taught by either prior arts. Banks may propose securities such as shares as compensation in lieu of interest as a way to diversify risk but the taking of deposit is never a means for financial gain nor is it a purchase as in Brown. Brown taught of purchasing companies by bidding for the shares. The important difference missed is that our claimed invention is to solicit deposit terms from deposit-taking institution through a bidding process with the reward being the identities of the applicants which does not amount to a purchase.

Thirdly, even if the Examiner's assertions are correct, we maintain that the claimed invention is still patentable over Zandi as Zandi addresses a different problem than the claimed invention. Zandi discloses a system and method to conduct a loan auction. Zandi does not teach a systematic means to conduct a deposit application auction.

We also submit that other than the above, prima facie has not been established as discussed previously under the following:

- 1.1 Subject Matters: Loan is the antithesis of Deposit
- 1.2 There must be a basis in the art for combining or modifying references
- 1.3 "Obvious to try" a modification or combination (looking for a needle in a haystack) is not prima facie obvious.
- 1.4 Equivalency Factor
- 1.7 Non-analogous Art
- 1.8 Prior Art does not teach the problem or its source

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Amended Claim 15 as per our current response.

Given that the examiner has presented new prior arts in this second action and while we believe that such prima facie case has yet to be established, we have nevertheless decided to strengthen our claims by qualifying them with specific elements found previously in dependent claims 16, 18, 21 and 23. At the same time, we shifted the broader elements to be new dependent claims 16, 18, 19. We have also change bidder to deposit-taking institution. We have included "money, securities or financial equivalent" which is supported in the specification in Claim 15 (a) to qualify this deposit application. We believed this to be permissible under *Re Gaubert*, 524 F.2d 1222, 187 USPQ 664 (CCPA 1975), the CCPA held that the alternative expressions "made entirely or in part of", "one or several pieces," and "iron, steel or any other magnetic material" were not in violation of Section 112, second para. *Id.*, 187 USPQ at 667-68.

This claim which is the main independent claim now carries the elements that are not found in both prior arts and those cited as pertinent arts by the examiner. We also have shown our defense for anonymity as not amounting to a teaching of security as in *Brown*.

For example, deposit is prominently recited both in the preamble and in the body to distinguish that this is for deposit auction. We have added a recital "deposit auction system" comprising a special programmed machine for deposit auction including anonymity means such as not found in the prior arts. (See *Re Prater*, 415 F.2d 1393, 162 USPQ 541). The body which is divided into 4 sections namely a,b,c,d are discussed as below:

Section (a) now gives qualification to the deposit application which contains terms of deposit on offer namely money, securities to be deposited; (also see our explanation in Claim 16)

Section (b) now provides the assignment of a handle to conceal a real identity which is distinguishable from *Brown*'s securing the bidders information in a database as alluded by the examiner in previous Claim 18. (see our explanation defeating examiner's motivation below);

Section (c) now qualifies the bids as coming from deposit taking institutions and similarly the bids are further comprises of elements not found or taught by both prior arts. The bids' elements were previously found in Claim 21. (see our explanation defeating examiner's motivation below);

Section (d) provides a step to access a real identity for a second selected period which is not found in either *Zandi* or *Brown*. This element was previously found in Claim 23. (see our explanation defeating examiner's motivation below);

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We therefore believed that this claim is allowable and respectfully ask the examiner to reconsider this.

Claim 16

The essence of Claim 16 “ deposit application comprises permissible personal information and terms of deposit on offer as subscribed by the prospective depositor “ has been moved to Claim 15 (a) to further distinguish said Claim as to the matter in the deposit application.

In Claim 16, the examiner opined that Zandi disclosed the deposit application having personal information and terms of deposit on offer by citing column 10 lines 35-40. Our examination of said evidence however reveals that in fact the offeror is not a deposit applicant but one of a loan applicant as taught by Zandi. It is doubtful in the art that the information being offered in a loan application can be money to be deposited. We are therefore unpersuaded that information in a loan application is equivalent or obvious to those found in a deposit application or that Zandi teach one ordinary skilled to substitute a subject matter on asking for a loan to one of offering money in a deposit without any motivation.

The examiner went onto cite Brown having disclosed account creation computer having storage capacity for storing a bidder account, that includes the bidder name financial account number and bidder identification. We are unable to understand this combinable effect since this claim is limited to the deposit applicants as the offerors. The deposit applicant is not a bidder in our invention and bidders are not entitled to send in a deposit application.

We distinguish this element from Zandi in view of Brown as both prior arts do not teach deposit application either in terms of receiving one or its purpose or its terms and conditions as recited under our amended Claim 15(a) as per this response.

Amended Claim 16

Currently this Claim 16 is amended to “The method according to claim 15, further comprising a step of receiving from deposit applicant communicating over the network, an electronic instruction selecting at least one of responsive deposit-taking institutions bided for said depositor’s application.”

The examiner had opined that selecting is obvious as taught by Zandi but said element was not applied in the context of a deposit taking institution or within a deposit auction process, said subject matter as a whole which must be obvious in the light of both arts for a 103(a) rejection.

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Likewise, this amended Claim 16 is dependent on Claim 15 therefore include all of the limitations of Claim 15. As discussed above, it would not have been obvious for one skilled viewing Zandi and Brown in light of what is known in the art to provide for a deposit application auction system with anonymity as in the claimed invention. We therefore believed that this element being the subject matter of deposit as a whole is not obvious and respectfully ask the examiner to reconsider this.

Claim 17

In amended Claim 17 as per this response. We have modified this claim to one of verification of assets ownership which is not found in both Zandi and Brown. Zandi as opined by the examiner teach of a host authorizer for a loan auction and while we believe that a loan auction's loan authorizer would not perform the same tasks (see Zandi Col 8 Lines 45-60) as required in our host authorizer for deposit application where we are interested in verifying the ownership of the assets, we have nevertheless submit to avoid this term.

Likewise, this amended Claim 17 is dependent on Claim 15 therefore includes all of the limitations of Claim 15. As discussed above, it would not have been obvious for one viewing Zandi and Brown in light of what is known in the art to provide for a deposit application auction system with anonymity as in the claimed invention. We therefore believed that this element being the subject matter of deposit as a whole is not obvious and respectfully ask the examiner to reconsider this.

Claim 18.

In previous Claim 18 as per our first response. The examiner has opined that Brown disclosed concealing a real identity of the prospective depositor for the deposit application to be displayed over said network and offered Col 7 Line 35 as evidence. Our examination of this line shows that this is not the case. Brown taught securing the database to prevent registration record of the bidder from being assessed ensuring confidentiality. Col 7 lines 33-38. This is not the same as providing a handle nor implied to conceal the identity of the prospective depositor nor is it obvious from Brown which teach of securing access to bidder's account information. In fact Brown gave good reasons to secure this information because they consist of accounts, credit cards numbers (Brown Fig 3) and other financially sensitive information that are never revealed under any other circumstances other than for presenting to a payment system.

The important question here is what is the motivation from securing a bidder's information to leap to providing a handle for the offeror or potential depositor and why would it be obvious when an offeror is different to a bidder ? Securing records does not meet the requirement of assignment a

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handle. Once a user's record is secured by not being accessible, why should a handle be necessary at all.

Furthermore, our claimed invention wants to provide information about the prospective depositor at the end of the auction to the selected bidder and not as suggested by the examiner's benefit as "would have been to not to disclose the identity of the prospective users". However during the auction process his or her identity is protected for said first selected time only. In Zandi which deals with loans, it is said that the borrower's identification and record is entered into a database within AuctionWare and is held open to access by lenders for a predetermined period of time. Col 8 Lines 66-67 and Col 9 Lines 1-3. (See also Claim 5). The result of assigning a handle for a loan application will defeat the purpose of said invention since as mentioned, the lenders must have access to this information. Even if Brown has taught of such assigning of handle to conceal the information (which is not the case here), it would still fail for the same reason that a loan application requires said information. Another point to consider is that Brown taught of bidding under a group, however this do not solve or address the need for anonymity as in this claimed invention. To bid in a group means the grouped bidders must know this group name while in this claimed invention, only the deposit applicant knows his own handle as when it is assigned.

We cannot agree with the examiner that one ordinary skilled in the art would take this as a motivation to deliberately conceal the identity during the any type of auction process based on teaching of securing a database with bidder's account as in the art. Anonymity has no benefit at all in a loan application and will render the application defective.

The real motivation here is that in practice, particularly when deposit applications are accessible by all over a network, would be depositors would rather be anonymous to prevent others from knowing their wealth profile during the auctioning period. The teaching in Brown does not correspond to our need for anonymity for a first selected period since it does not deal with deposit applicants. Brown taught of securing the bidder's information, before the auction, during the auction and at the end of the auction. In short ensuring no information can ever be released.

This element of anonymity has been moved to amended Claim 15(b) now as well as stated in the preamble.

Amended Claim 18.

In amended Claim 18 as per this response, we have moved this anonymity element to Claim 15(b) and replaced this claim with step element of maintaining data representative of the status of the prospective depositor's application in a database accessible to users over a network, said data comprising on each of a plurality of submitted responsive bids. (found in claim 15 previously).

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In regard to this maintaining data element, our rebuttal here is that both prior arts have no teaching about deposit application and hence reveal no teaching on bids pertaining to a deposit application. In particular from the evidence provided by the examiner in Zandi (Col 9, lines 55-65) deals with a generic auction system and not with deposit auction. See above section 1.3 "Obvious to try". One skilled in the art would be knowledgeable in auction in general and one skilled in the art of loan auction may well wish to try for a deposit auction process but that is not the standard of obviousness absent of some teaching.

As we mentioned, said bids have very distinctive elements found previously in Claim 21 and now in Claim 15 (c) which forms the representation as well as this in this amended Claim 18. Likewise, this amended Claim 18 is dependent on Claim 15 therefore include all of the limitations of Claim 15. As discussed above, it would not have been obvious for one viewing Zandi and Brown in light of what is known in the art to provide for a deposit application auction system with anonymity as in the claimed invention. We therefore believed that this element being the subject matter of deposit as a whole is not obvious and respectfully ask the examiner to reconsider this. We respectfully ask the examiner to consider this amendment and its accompanied rebuttal evidence.

Claim 19

In Claim 19. In essence, as we have discussed in Claim 15 that Zandi has no teaching of conducting a deposit application auction and even if the element 'notification' here is old in the art, it is effectively a part of a different process as it is dependent on Claim 15, which is not taught by both prior arts. See also case laws recognizing all inventions consist of old elements as alluded in Richdel, Inc. v. Sunspool Corp., 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed. Cir. 1983) ("Most, if not all, inventions are combinations and mostly of old elements.").

In addition, we have moved this element to amended Claim 15 (d) as per this response. The examiner mentioned to include Brown but provided no reference to which element or aspect in Brown to combine. Brown does not teach of deposit-taking institution, merely institution and these institutions are not taking deposits, they are making a purchase ie paying money to acquire assets.

We respectfully ask the examiner to reconsider this element now being incorporated in claim 15 (d).

Amended Claim 19.

In our amended claim 19, we have substituted this claim to cover anonymity for the deposit institutions which is not taught by both prior arts, said anonymity element was previous submit in a

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recognizable form in our original application now cancelled Claim 13(e). We are not proposing this as a reinstatement since strictly it does not survive the form.

We respectfully ask the examiner to consider this amendment.

Claim 20

In Claim 20, Zandi's abstract made no mention of a prospective depositor but only one of a prospective borrower and lenders. There is no mention of a financial institution either although it is common knowledge in the art that a lender is probably a bank or as defined as a financial institution. A depositor is strictly not a lender. When a depositor 'lends' money to a bank, they do not ask for collateral which is the essence of loan. A depositor can only deposit money or equivalent with a deposit institution by law whereas a lender can lend money to anyone with conditions such as specific performance and collateral requirements. We also believed that had Zandi wanted to include depositor as lenders, it would have been so indicated, as this is not an oversight but conclusive evidence that both are not interchangeable as per this claim. In Brown's abstract, there is a mention of institution ONLY or a group of investors wanting to bid for an item in view of purchasing the item but again no deposit-taking institution or prospective depositor.

We have decided to retain this element in our amended Claim 15(c) in this response to include deposit-taking institution for the reason that neither references had made any teaching of said element, nor is it obvious without any teaching that any institution can be a deposit-taking institution which is not the same as any institution bidding for assets.

Furthermore, for equivalency to stand the prior art has to refer to deposit-taking institution as explained in section 1.4 above. The examiner also cited the benefit as "would have been for a prospective depositor to conduct business with a financial institution." But as we mentioned there is no single suggestion in Zandi or Brown about prospective depositor so it is highly probable that hindsight was used here.

This rejection is respectfully traversed and we respectfully ask the examiner to consider this element 'deposit taking institution'.

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Claim 21

This rejection is respectfully traversed.

In Claim 21. We are uncertain to the nature of the examiner's response as the examiner asserted that Zandi discloses deposit application comprising personal information and in view of Brown disclosing account creation computer has storage capacity for storing a bidder account that includes bidder name, financial account number and bidder identification.

We failed to see any connection here with our Claim since a bid is not a bidder account as recited in Brown, nor does the said prior art made any mention of our claimed bid elements. The fact that a prior art may teach of a bid element but does not differentiated individual elements making the bid element seems to show said individual elements are not obvious. We also failed to see information in a deposit application will teach said elements when none are suggested in Zandi. It also seems that the examiner's response here is similar to one produced at Claim 16 by the examiner which we find odd since our claims 16 and 21 are totally different whereas the former relates to information provided in a deposit application and the latter refers to bids information.

Furthermore, neither Zandi nor Brown includes any suggestion to combine these two asserted features. Accordingly, applicant respectfully submit this element found in Claim 21 is patentable.

In our amended claim as per our response here, we have shifted said claimed element to main Claim 15 at section (c).

Claim 22

This rejection is respectfully traversed.

The examiner does not cite any references or publication nor does the Examiner provided any other evidence to support this contention. We disagreed with the examiner's reasoned benefit here. In particular the function of these data representative is not one of determining the status of an application in terms of whether it is approved or not. The data set is provided so that other bidders can assess their own positions when providing their bids. In short, if it is being displayed to users then its approved hence the data shown is a representative of the elements in the current bids with corresponding information attached submitted by deposit-taking institutions.

Also note that in Zandi, only the lenders have access to the loan applicants and not ALL users.

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Given that the examiner has used "common knowledge", we respectfully call for evidence under 37 CFR 1.104(d)(2). We have shifted this element to Amended Claim 18 as per this response.

Claim 23

Claim 23. In this claim, the examiner said that it is obvious as a matter of common knowledge available to one skilled in the art to access the real identity of the depositor by the successful bidder. In re Lee, 277 F.3d at 1345, 61 USPQ2d at 1435, the court said that such "knowledge must be articulated and placed on the record." Id. The court further explained that 'deficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense.' Id. at 1344, 61 USPQ2d. The examiner did not cite any references or publication nor does the Examiner provided any other evidence to support this contention.

We disagree here unless the ordinary skilled has knowledge of our claimed invention here, this element would not have been obvious in the light that anonymity (not taught by neither prior arts) is required during the auction process which necessitated this later step. Even if this is well known as asserted by the examiner, it is not well-known to provide for such usage in a system and method for deposit auction as the subject matter as a whole itself is not obvious.

Furthermore, we are not convinced that auctions at the time the claimed invention is made would have this step since Zandi clearly indicates that the identities of the loan applicants are known throughout the entire process to the lenders. See Fig 5 of Zandi as an example.

As mentioned, Brown only taught securing the identities of bidders to prevent access over the network to ensure confidentiality (see Col 7 Line 35) and not as the examiner has suggested concealing a real identity. The need for security in Brown is critical because bidder's information includes savings account number, credit card number etc (Col 3, Lines 52-55). But unlike Brown, in our claimed invention, we need to display such application to solicit bids hence the requirement for a handle. Also note that while our deposit application here includes personal information, what is being displayed anonymously are deposit terms not personal information. There is no teaching in Brown of displaying bidder's information on line.

There is no mention of releasing or displaying said confidential information in Brown or one of concealing and releasing of applicant's or offeror's information. In fact, Brown teaches of charging the bidders' accounts for the funds but never in releasing this information. (See Col 8 lines 34-54, in particular FIG 10).

Therefore, it is clear there is no requirement or benefit for releasing this real identity information at all as taught by the prior arts and we have to assume that such knowledge is held within the

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personal knowledge of the examiner or one of judicially noticed. Hence in order for us to defend our position, we respectfully call the examiner for evidence under 37 CFR 1.104(d)(2).

This rejection is respectfully traversed. We have retained this element and inserted into the independent Claim 15 (d).

Claim 24.

Claim 24. The main element "network" here have been moved to the preamble in Claim 15. This Claim 24 has now been amended in this response to one of a deposit auction system to perform the method of Claim 15 wherein the subject matter is not obvious. With references to "old" elements that are read as structural limitations such as network, computer etc, we submit that the United States Court of Appeals for the Federal Circuit in numerous occasions has stated, "virtually all [inventions] are combinations of old elements." Environmental Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed. Cir. 1983); see also Richdel, Inc. v. Sunspool Corp., 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed. Cir. 1983) ("Most, if not all, inventions are combinations and mostly of old elements."). Therefore an examiner may often find every element of a claimed invention in the prior art. If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patent applications solely by finding prior art corollaries for the claimed elements would permit an examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be "an illogical and inappropriate process by which to determine patentability." Sensonics, Inc. v. Aerosonic Corp., 81 F.3d 1566, 1570, 38 USPQ2d 1551, 1554 (Fed. Cir. 1996).

This rejection is respectfully traversed. We have retained this element and inserted into the independent Claim 15 preamble.

The rest of the claims parallel similar elements of the above Claims 15-19 except that they claim either a article of manufacture or a system and hence are similarly as per our objection above.

Our newly amended Claims 25-33 in this response conform to the method elements in Claim 15-19 and differs only to the class, ie System, Article of manufacturer. For the system claims, we have added a "deposit auction system" which is not found in the prior arts. For NEW claims 34-38, they are similar to system claims of 24-28 except they use "means" plus function.

Our overall conclusion is that the examiner had merely focus on the elemental differences between the prior art(s) and the claimed invention and then to state that the differences themselves or individually are obvious but without providing the motivation to combine said prior arts. The real

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issue here is that whether it would have been obvious to combine the prior arts without having access to this application to reach the claimed invention of a deposit application auction ?

Conclusion. While we have presented our rebuttal for prima facie, we also submit ALL of the elements have been retained in different forms in amended Claims 15-38. The amendments and the arguments presented supra are believed to traverse the Examiner's rejection under 35 U.S.C. §103. Reconsideration of the ALL rejections is requested.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any application, any patent issuing thereon, or any patent to which this verified statement is directed.

A handwritten signature in black ink, appearing to be 'KHAI', with a long horizontal line extending to the right.

Khai Hee KWAN

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Appendix A

15. (Amended) A method for soliciting competitive terms of deposit operating on a deposit auction system, said system including a programmed computer connected to over a network accessible by a plurality of users within a first selected period of time and anonymity means for concealing the identities of deposit applicants, at a host computer, the method executable at said computer comprising the steps of:

a) receiving over the network, a receiving deposit application from a prospective depositor who is a respective one of the users, wherein said application comprising permissible personal information and money, securities or financial equivalent deposit offer terms as subscribed by the prospective depositor ;

storing said deposit application in a database;

displaying the deposit application over the network;

c) assigning a handle to conceal a real identity of the said prospective depositor and displaying said depositor's application anonymously;

maintaining data representative of the status of the prospective depositor's application, the data comprising information on each of a plurality of submitted responsive bids;

c) receiving from at least one bidder deposit-taking institution, who is a respective one of the users communicating over the network, at least a respective one of the responsive bids for said deposit application wherein said bid comprises responsive deposit terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange; and

selecting one of the at least one responsive bids as a winning bid.

d) receiving an electronic instruction from the deposit applicant, notifying and

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authorizing at least one selected deposit-taking institution to access a real identity and personal information of said applicant for a second selected period of time.

16. (Amended) The method according to claim 15, ~~wherein the received deposit application comprises permissible personal information and terms of deposit on offer as subscribed by the prospective depositor.~~ further comprising a step of receiving from deposit applicant communicating over the network, an electronic instruction selecting at least one of responsive deposit-taking institutions bided for said depositor's application.

17. (Amended) The method according to claim 15, ~~further comprising a step of receiving at the host computer from a host authorizer an electronic instruction indicating that the deposit application is approved for solicitation and display over the network.~~ includes a step of verifying the ownership of said money, securities or financial equivalent as subscribed by deposit applicant.

18. (Amended) The method according to claim 15, ~~further comprising a step of assigning a handle to conceal a real identity of the prospective depositor for the deposit application to be displayed over said network.~~ further comprising a step of maintaining data representative of bids for the depositor's application in a database accessible to users over a network, said data comprising depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted responsive bids.

19. (Amended) The method according to claim 15, ~~further comprising a step of notifying the bidder who submitted the winning bid.~~ adapted to further promote a completely anonymous deposit auction, comprising :

assigning a handle to conceal a real identity of the deposit taking institution.

20. (DELETED) ~~The method according to claim 15, wherein said users comprise at least one financial institution and at least one prospective depositor.~~

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21. ~~(DELETED) The method according to claim 15, wherein said information on each responsive bid comprises proposed terms of deposit, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange.~~

22. ~~(DELETED) The method according to claim 15, wherein said data representative of the status of the prospective depositor's application is accessible to users over a network.~~

23. ~~(DELETED) The method according to claim 15, further comprising a step of receiving a second electronic instruction from the prospective depositor authorizing the bidder who submitted the winning bid to access a real identity of the prospective depositor for a second selected period of time.~~

24. ~~(Amended) The method according to claim 15, wherein said network comprises at least one client computer and the host computer, said host computer further comprising a host authorizer. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 15.~~

25. ~~(Amended) A deposit auction system including a computer connected to a network programmed to perform the method of Claim 16.~~

~~A programmed host computer for soliciting competitive terms of deposit over a network accessible by a plurality of users within a first selected time;~~

~~the programmed host computer comprising:~~

~~a host authorizer;~~

~~a computer storage medium for storing executable program code; and~~

~~means for executing the said program code, wherein the program code, further comprises:~~

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~~code for receiving a deposit application over the network from a prospective depositor who is one of the users of the network;~~

~~code for storing said deposit application in a database;~~

~~code for displaying the deposit application over the network;~~

~~code for maintaining data representative of the status of the prospective depositor's application, the data comprising information on at least one responsive bid submitted over the network by respective bidders;~~

~~code for receiving the at least one responsive bid for said application, wherein the bid comprises proposed terms of deposit, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange; and~~

~~code for enabling the prospective depositor to select one of the at least one responsive bid as a winning bid.~~

26. (Amended) A deposit auction system including a computer connected to a network programmed to perform the method of Claim 17

~~The computer according to claim 25, further comprising code to receive, at the host computer, a deposit application from a prospective depositor over said network, the application comprising permissible personal information and terms of deposit on offer as subscribed by the prospective depositor.~~

27. (Amended) A deposit auction system including a computer connected to a network programmed to perform the method of Claim 18.

~~The computer according to claim 25, further comprising code to assign a handle to conceal the real identity of the prospective depositor when the deposit application is displayed over the network and said application is accessible by at least one bidder for a first selected period of time.~~

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28. (Amended) A deposit auction system including a computer connected to a network programmed to perform the method of Claim 19.

~~The computer according to claim 25, further comprising code to receive a second electronic instruction from the prospective depositor for authorizing the bidder who submitted the winning bid to access a real identity of the prospective depositor for a second selected period of time.~~

29. (Amended) Computer executable software code stored on a computer readable storage medium implementing the method of claim 15. ~~, the code for soliciting competitive terms of deposit over a network accessible by a plurality of users within a first selected period, the code comprising:~~

~~code to receive, at a host computer, a deposit application from a potential depositor over said network, the application comprising permissible personal information and terms of deposit on offer as subscribed by the prospective depositor;~~

~~code to receive from a host authorizer an electronic instruction indicating that the deposit application is approved for solicitation and display over the said network;~~

~~code for assigning a handle to conceal a real identity of the prospective depositor when the deposit application is displayed over the network;~~

~~code for maintaining data representative of the status of the prospective depositor's application, the data comprising information on at least one responsive bids;~~

~~code for receiving the at least one responsive bid from a bidder for the deposit application, wherein the responsive bid comprises proposed terms of deposit, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange;~~

~~code for receiving at the host computer from said prospective depositor an electronic instruction indicating a selected bid of the at least one responsive bid; and~~

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~~code for notifying the respective bidder who submitted the selected bid that he is the successful bidder.~~

30. ~~(Amended) The computer executable software code according to claim 29, further comprising code to receive a second electronic instruction from the prospective depositor for authorizing the successful bidder to access the real identity of the prospective depositor for a second selected period of time.~~

Computer executable software code stored on a computer readable storage medium implementing the method of claim 16

31. (Amended) Computer executable software code stored on a computer readable storage medium implementing the method of claim 17

~~A system for soliciting competitive terms of deposit over a network accessible by a plurality of users within a first selected period of time, the system comprising:~~

~~means to receive at a host computer, a share deposit application from a prospective depositor over said network, the application comprising permissible personal information and terms of deposit on offer as subscribed by the prospective depositor;~~

~~means to receive from a host authorizer an electronic instruction indicating that the deposit application is approved for solicitation and display over said network;~~

~~means for assigning a handle to conceal a real identity of the prospective depositor when the deposit application is displayed over the network;~~

~~means for maintaining data representative of the status of the prospective depositor's application, the data comprising information on each of a plurality of responsive bids, each submitted by a respective bidder;~~

~~means for receiving each of the responsive bids from the respective bidders for the deposit application wherein each bid comprises respective proposed terms of deposit;~~

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~~type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange;~~

~~means for receiving at the host computer from said prospective depositor an electronic instruction indicating which of the responsive bids is selected as the winning bid; and~~

~~means for notifying the bidder who submitted the winning bid.~~

32. (Amended) Computer executable software code stored on a computer readable storage medium implementing the method of claim 18

~~The system according to claim 31, the system further comprises the means for receiving a second electronic instruction from the prospective depositor for authorizing the bidder who submitted the winning bid to access the real identity of the prospective depositor for a second selected period of time.~~

33. (Amended) Computer executable software code stored on a computer readable storage medium implementing the method of claim 19

~~The system according to claim 31, wherein said network comprises at least one client computer and the host computer, said host computer further comprising the host authorizer.~~

34. (NEW) A deposit auction system for soliciting competitive terms of deposit connected to a network, said network comprising at least one client computer and a programmed computer further comprising a database of deposit applications, said network accessible by a plurality of users within a first selected period of time, comprising:

a) means for receiving a deposit application from a prospective depositor who is a respective one of the users, wherein said application comprising permissible

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personal information and money, securities or financial equivalent deposit offer terms as subscribed by the prospective depositor;

b) anonymity means for assigning a handle to conceal a real identity of the said prospective depositor for displaying said depositor's application anonymously;

c) means for receiving from at least one deposit-taking institution, who is a respective one of the users communicating over the network, at least a respective one of the responsive bids for said deposit application offer wherein said bid comprises responsive depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange; and

d) means for receiving an electronic instruction from the deposit applicant, notifying and authorizing at least one selected deposit-taking institution to access a real identity and personal information of said applicant for a second selected period of time.

35. (NEW) The system according to claim 34, further comprising means for receiving from deposit applicant communicating over the network, an electronic instruction selecting at least one of responsive deposit-taking institutions bided for said depositor's application.

36. (NEW) The system according to claim 34, further comprising means for verifying the ownership of said money, securities or financial equivalent as subscribed by deposit applicant.

37. (NEW) The system according to claim 34, further comprising means for maintaining data representative of bids for the depositor's application in a database accessible to users over a network, said data comprising depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted responsive bids.

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38. (NEW) The system according to claim 34, adapted to further promote a completely anonymous deposit auction, by including means for assigning a handle to conceal a real identity of the deposit taking institution.